

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN MATT MCCANN**, on February 7, 2001 at 8:00 A.M., in Room 350 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Matt McCann, Chairman (D)  
Sen. Tom A. Beck (R)  
Rep. Dave Kasten (R)  
Sen. Jon Tester (D)  
Rep. Steve Vick (R)

**Members Excused:** Sen. Bob Keenan, Vice Chairman (R)

**Members Absent:** None.

**Staff Present:** Jane Hamman, OBPP  
Andrea Hyatt, Committee Secretary  
Brian McCullough, Legislative Branch  
Christi Tyson, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 5, 2/4/2001; HB 14,  
2/4/2001

Executive Action:

**NOTE:** The reference book is the Governor's Budget State of Montana Fiscal Years 2002-2003 Long Range Building Program Volume 2.

**CHAIRMAN MCCANN** opened the meeting.

The committee members were provided with a six page handout entitled "Status Report - Long Range Building Projects" which included pages B-4, C-11, B-5, C-12, C-12a, C-13.

**EXHIBIT(jlh31a01)**

**Proponents' Testimony:**

**Tammy Peterson, Administrator of the Central Service Division of the Department of Labor, representing the Job Service Division.**

She requested that their Missoula building project in HB 14 be withdrawn. Their withdrawal was based on the cost of bonding debt service. **CHAIRMAN MCCANN** accepted their request to withdraw the project.

**Ms. Peterson** reviewed their current projects found on pages B-4 and C-11. She explained the details for each project. There were no committee questions.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:** None.

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**CHAIRMAN MCCANN** opened the hearing on **DEPARTMENT OF JUSTICE.**

**Proponents' Testimony:**

**Greg Noose, Division Administrator, Montana Law Enforcement Academy,** discussed their project to upgrade the foundation and boiler at the academy, page 30. He provided a three page handout identifying the academy campus buildings. **EXHIBIT(jlh31a02)** He showed pictures of the foundations that need repair.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned if the grant would be a permanent fix for these problems and the process of de-watering the area. **Mr. Noose** responded that this will fix the problem and to de-water the area a drain field will be created, a sump pump installed and a floating foundation will be installed. **Jane Hamman** questioned if this also replaces the boiler. **Mr. Noose** responded that the boiler is working and that this is only to re-pipe. **CHAIRMAN MCCANN** questioned the percentage that would be dedicated to the Spruce building. **Mr. Noose** responded 75%. **Brian McCullough** questioned if there were other buildings being effected by the water table. **Mr. Noose** responded that the Spruce building had the major problem, Aspen gets water in the basement but no

structural damage and that the metal stairs twist from the ground freezing, but it is not a major problem.

**Greg Noose** stated there were no past appropriations to review.

**CHAIRMAN MCCANN** closed the hearing on **DEPARTMENT OF JUSTICE**.

**CHAIRMAN MCCANN** opened the hearing on **NATURAL RESOURCES**.

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**Proponents' Testimony:**

**Sue Clark**, Chief of the Budget Facilities Management Bureau, Forestry Division. She referred to page C-13 (**EXHIBIT 1**), Cash projects, and reviewed each project and its status. She also gave a brief overview of the Forestry Division; discussing locations, budget and funding.

**Sue Clark** discussed their project to **EXPAND UNIT OFFICE, LIBBY, PAGE 47**.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned the cost of the add-on. **SEN. TESTER** questioned the cost of \$200.00 per square foot. **Jim Whaley** responded that it included a basement level which would be a total of 1,000 square feet. **CHAIRMAN MCCANN** questioned the materials being used; brick, wooden, etc. **Brian McCullough** questioned if they needed to meet the ADA standards. **Ms. Clark** responded. **REP. VICK and Tom O'Connell** provided information in regards to construction costs.

**Informational Testimony:**

**Tom O'Connell** informed the committee they are withdrawing the project: **Southwest Montana Land Office**. They are withdrawing this project because the Martz Administration elected not to go with the increased cigarette tax; therefore there is no funding available for six to seven projects; this being one of them.

**Questions from Committee Members and Responses: cont'd**

**REP. VICK** questioned what the estimate cost would be for the things they are required to do because of standards that are

required for the State to meet. **Jim Whaley** stated that about \$80,000.00 is construction cost; 15-20% for design cost and that this project might be a 20% difference to build without the standards. **SEN. TESTER** questioned if the basement would be office space. **Sue Clark** responded.

**CHAIRMAN MCCANN** closed the hearing on **DEPARTMENT OF MILITARY AFFAIRS**.

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**CHAIRMAN MCCANN** opened the hearing on **DEPARTMENT OF MILITARY AFFAIRS**.

**Proponents' Testimony:**

**Major General Gene Pendergast, Department of Military Affairs, Director of Military Affairs and Adjutant General for the State of Montana.** He provided background information. He is commander of the Army National Guard consisting of 2,400 soldiers located in 23 communities across Montana. He is the Commander of the Air Guard consisting of 1,000 men and women located in Great Falls. He is also responsible for the disaster/emergency services in the State of Montana and Administrative Support for Veterans Affairs.

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The mobilization center for the firefighters were out of Ft. Harrison; federal firefighters, state firefighters, and Indian firefighters were trained there. Last year they trained 18,000 federal soldiers. He provided further information on their projects.

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**Ralph DeCunzo, Department of Military Affairs,** discussed their projects and how they are developing Ft. Harrison to become a Regional Training Center. He discussed their plans for the future. He provided a booklet entitled "Department of Military Affairs Facilities". **EXHIBIT(jlh31a03)** He reviewed each page and described the project.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned where the Great Falls armory was being built. **Mr. DeCunzo** responded it would be on Malstrom. **REP. VICK** questioned why the armory that was originally planned for Bozeman was moved to Belgrade. **Mr. DeCunzo** responded that after the death of President Mike Malone the negotiations for the campus fell apart and with the time constraints for federal funding they had to back out. **Brian McCullough** questioned if the distance learning would be available at all of the sites; will the state have access to using those facilities and have they worked with Information Services Division (ISD). **Mr. DeCunzo** responded that it would be located in the 23 communities identified on the map in **EXHIBIT 3**; three of those are not located in the Armory but at another site within that community. The sites will also be available to the public for use; managed by the federal government and agreements on fees for public use. And they have been working with ISD and the Universities. **REP. KASTEN** questioned the Billings Armory and the energy use. **CHAIRMAN MCCANN** questioned if there was a sharing partnership for operations & maintenance (O&M). **Mr. DeCunzo** described the process of paying the expenses. **REP. VICK** questioned if they received federal operations and maintenance funds for buildings owned by the state. **Mr. DeCunzo** responded that facilities constructed on state properties are funded 100% by the state; for facilities constructed on federal property, the federal government participates in the O&M as well as the construction of those buildings. **Brian McCullough** questioned the durability of metal roofs. **CHAIRMAN MCCANN** questioned of the 23 communities within Montana, how many are federal sites. **Mr. DeCunzo** responded that, so far, the metal roofs have been functional and that of the 23 communities, only two are on federal land: Ft. Harrison, Helena and Limestone Hills, Townsend.

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**Ralph DeCunzo** discussed the **DILLON ARMORY PROJECT, PAGE 213**. The Department of Transportation (DOT) contacted them asking to be on their list for any building the department will be vacating. They obtained authority from the last session to sell the Whitefish and Bozeman Armory. Those funds were used to reduce the overall bonded debt for any new building that requires matching money. The Deer Lodge Armory was turned over to the prison. They tried to partner with the City of Billings but it did not work out so the Department of Transportation requested to obtain that building.

#### **Opponents' Testimony:**

#### **Questions from Committee Members and Responses:**

**SEN. TESTER** questioned if demolition is part of the funding and what that cost would be. **Mr. DeCunzo** stated yes, under site development and basing it on the Poplar demolition, it would be approximately \$25,000.00-\$30,000.00. **SEN. TESTER** questioned if the Department of Transportation would use this building to store equipment and once turned over to them are they then responsible for it forever. **Mr. DeCunzo** stated yes. **SEN. BECK** questioned if this was all federal funds. **Mr. DeCunzo** responded that it is a match, HB 14 has \$1.9 million of bonding and HB 5 has \$3.8 million in federal. **Jane Hamman** explained in further detail the federal funds of \$3.8 million, and that is cash in HB 5; then the matching funds would be the State authority that is bonded in HB 14 for the \$1.94 million. **SEN. BECK** was questioning the funding on page 249. **Tom O'Connell** stated that the federal revenue was in the wrong column on page 249. **REP. VICK** questioned the size of this building and the size of the existing facility. **Ralph DeCunzo** responded.

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#### **RALPH DECUNZO CONTINUED HIS RESPONSE**

**SEN. TESTER** questioned the heating. **Jane Hamman** questioned how these buildings in various communities were used as part of the forest fires this past summer, besides Ft. Harrison. **Mr. DeCunzo** responded there were many used as staging areas for both firefighters and National Guard; Missoula was used as a major center for the federal and state agencies. Many of the communities use the buildings for public use. **REP. KASTEN** questioned the difference in cost from the DOT using the existing building compared to building a new building. **Mr. DeCunzo** did not know the answer, but explained a comparison building they own. **Major General Pendergast** added more background information. **REP. KASTEN** commented to the committee the importance of looking at the operation and maintenance of these buildings since it would be the state who would be taking over the building. **Jane Hamman** questioned where the proceeds would go for the exchange of the Billings Armory (or Dillon) turned over to DOT. **Mr. DeCunzo** stated that there is no dollar exchange for the Dillon facility; the Billings facility has been somewhat complicated and the DOT has worked out an agreement to take on the debt attached to the building. **SEN. TESTER** questioned if we have any control over DOT in acquiring buildings. **SEN. BECK** commented that somewhere along the line the State will be paying for the maintenance and that it is probably within the DOT budget. Discussion followed. **Jane Hamman** informed the committee that the fiscal note on the secondary roads had several facilities and plans in it and that is what the DOT is following and looking to do in Dillon and within the budget authority that was added when the bill was passed in the last

session. **CHAIRMAN MCCANN** questioned if this discussion happened during the last session regarding the exchange between DOT and Billings. **Mr. DeCunzo** stated that this exchange has only been discussed in the last 2-3 months. The federal law requires them to exchange buildings to those who would use it for a public purpose. He also informed the committee that in the last session they obtained the right to sell Whitefish and retire the debt; there is now a bill by **REP. LAWSON** who would like both Whitefish and Bozeman facilities fall under the 351 Statute that currently exists and they would like to obtain that building in Whitefish and there is a group in Bozeman who is interested in that Bozeman building. He would like the committee to be aware of this since it has an implication to the debt on the buildings. **REP. VICK** questioned who would get the buildings under **REP. LAWSON'S** bill. **Mr. DeCunzo** explained in detail. Discussion followed.

**Ralph DeCunzo** discussed their **FEDERAL SPENDING AUTHORITY, PAGE 162**. These federal funds are received during the interim and are used for small projects or maintenance. Some examples are: a short road at Ft. Harrison and drilling for a water well. **REP. VICK** questioned if they use these funds for building new structures. **Mr. DeCunzo** responded they have used it once for a pre-manufactured, metal storage building costing about \$75,000.00. **SEN. TESTER** questioned if they ever get offered more than the \$1.5 million. **Mr. DeCunzo** responded that occasionally they do receive more and they will take it to the Governor to request authorization and meet the criteria that they are 100% federally funded and do not impact the State's obligation. **SEN. TESTER** questioned if this money can be used to supplant state funds. **Mr. DeCunzo** responded. Discussion followed. **CHAIRMAN MCCANN** questioned how this authority would be spent. **Mr. DeCunzo** responded that all the projects have not been identified, but as they develop this will be the source of funding.

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**REP. VICK** questioned the process to determine the size of new buildings and the process if they are requested to change the size of a building. **Ralph DeCunzo** explained the process using the 14 page federal document 1390 and the flexibility of changing the size. **Major General Pendergast** added some background information. **CHAIRMAN MCCANN** questioned the maintenance cost for the Dillon Armory, in the past it was \$362,000.00; what is the projected cost for the new building. **Mr. DeCunzo** explained in detail the maintenance fund for the new and old buildings. **CHAIRMAN MCCANN** questioned if he could provide the dollar amount difference between the old and new building. **Mr. DeCunzo** referred the committee to page 216 and an estimate of \$23,200.00.

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**Ralph DeCunzo** presented the committee with an amendment to HB 5 that would provide some additional federal spending authority only, no cash, for the Kalispell facility that was approved during the last session. He stated that they have partnered with the Army Reserve, which then makes the building an Armed Forces Reserve Center and it is now eligible for more federal support. To accomplish that, they need more spending authority to be able to spend the federal funds to make it an Armed Forces Reserve Center. He provided a copy of their amendment. **EXHIBIT(jlh31a04)** **CHAIRMAN MCCANN** questioned for clarity that the Kalispell Armory has replaced the Whitefish. **Mr. DeCunzo** responded that it replaces both Whitefish and the Kalispell Armory. The Kalispell Armory reverts back to the city, based on an original agreement in the 1950's when they obtained property from Kalispell. **SEN. KEENAN** questioned the last sessions funding of \$1.8 million match for the Kalispell Armory, where did that funding go. **Mr. DeCunzo** responded that it is on the books and it is their hope that they will not have to use it or may have to use a small portion of it. The utilities are 2.2 miles away and they may have to bring them to the site; they are trying to come up with a system on site then they would not have to use those funds. But, a portion of those funds might be needed to use for site development and site costs. **SEN. KEENAN** questioned if they would be agreeable to an amendment to take the unexpended amount and retire some debt on Dillon. **Mr. DeCunzo** responded there is no debt if the bonds are not sold. **CHAIRMAN MCCANN** requested that the debt be explained further. **Mr. DeCunzo** explained that they have \$1.8 million bonded authority on the Kalispell facility. On the sale of the Whitefish Armory they hope to retire the debt on Kalispell. In Bozeman/Belgrade, they have a bonded debt there and are hoping to sell it to retire debt.

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**Ralph DeCunzo** stated he would like to make a plea to this committee and its new members regarding a follow-up to the Legislative Audit Division's facility management of state-owned buildings and the maintenance issues of state-owned buildings. He discussed how various groups worked together to create some guidelines. They came up with a program called Facility Condition and Inventory (FCI). He discussed details and problems in accomplishing the program. He stated that he believes they have led the way and have been out front in maintenance and would like to stay there. **CHAIRMAN MCCANN** commented that we have had this discussion and he would point out a couple different things. One is that it is not A&E's job to do that, but we do have a disjointed system across the



state. Some people don't have as many resources as the Department of Military Affairs and he appreciates their having it under control. There will be discussions on what these proposals are before executive session regarding HB 5 and HB 14, especially HB 14. Every time this committee meets they are asked to bond for additional projects that are out there. This is something we will discuss in depth.

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**Mr. DeCunzo** provided a handout entitled "Status Report - Long Range Building Projects, Legislative Authority Only - Cash Projects, Report as of October 20, 2000". **EXHIBIT(jlh31a05)** These are directly appropriated to Department of Military Affairs and they administer the project. He reviewed the projects and updated the status for each project. The ARDS are projects the federal government authorizes and are the armories located in the 23 communities. They are upgrading Libby, Kalispell, Chinook, Havre and Billings. **SEN. TESTER** questioned why they were upgrading Kalispell if it is going to be replaced. **Mr. DeCunzo** stated that the work is being done at the new site on the organizational maintenance shop. **CHAIRMAN MCCANN** questioned what is "track parking". **Mr. DeCunzo** responded it is taking the compound space that is now dirt and putting in concrete and pavement; asphalt is not strong enough to use. **CHAIRMAN MCCANN** questioned if this was for the large military vehicles, like the tanks. **Mr. DeCunzo** responded yes. **CHAIRMAN MCCANN** questioned that running a tank over concrete is rough on both the concrete and the tank. **Mr. DeCunzo** agreed and explained the tank displacement foot pounds and that turning creates wear and tear. **SEN. BECK** questioned the balances compared to their balance and the SABHRS balance. **Mr. DeCunzo and Kathy Willis** provided information. **CHAIRMAN MCCANN** questioned the secondary containments. **Mr. DeCunzo** responded that these are fuel vehicle parking areas that have curbs so that should there be a spill it would be contained within that area.

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**Ralph DeCunzo** then discussed the yellow pages B-5, C-12, C-12a (**EXHIBIT 1**). These are appropriations on the books in the A&E division. He reviewed the projects and updated the status for each project. Discussion followed. **Mr. DeCunzo** responded to questions from the committee.

**Mr. DeCunzo** provided a copy of the FCI Prioritized Rating System. **EXHIBIT(jlh31a06)**

**ADJOURNMENT**

Adjournment: 10:30 A.M.

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REP. MATT MCCANN, Chairman

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ANDREA HYATT, Secretary

MM/AH

**EXHIBIT** (j1h31aad)